

LIQUOR COMMISSION CITY AND COUNTY OF HONOLULU



FILING A GROSS LIQUOR SALES REPORT FOR RESTAURANT CLASS

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REMINDER!!!

A GROSS LIQUOR SALES REPORT MUST BE FILED

Late or non-filed reports will be a violation and subject to penalties as prescribed by the Honolulu Liquor Commission (ref. §3-81-17.54(c))

Honolulu Liquor Commission
711 Kapiolani Boulevard, Suite 600
Honolulu, Hawaii 96813

GLS Information Line: 808-768-7343
Email: liq-auditing@honolulu.gov
GLS Webpage: www.honolulu.gov/liq/gls.html

INSTRUCTIONS TO FILE A GROSS LIQUOR SALES REPORT

Additional License Fees on Gross Liquor Sales (GLS)

In addition to the basic license fee, an additional license fee is assessed on the GLS. The additional license fee is calculated on the net of the GLS less a deductible (threshold). The additional license fee is assessed when the GLS exceeds the deductible. The deductible is prorated for licenses that are issued, cancelled, or revoked during the course of the fiscal year. (Ref. §3-81-17.51(a))

Who Must File

All the licensees, except transit vessel (per day), special, and bring-your-own beverage, shall file a report as directed by the Commission showing the true and accurate gross sales of liquor and purchases of liquor. ((Ref. §3-81-17.54)

The report shall be filed for the active liquor license period and must be filed even if there are no sales.

Due Dates

- **The Annual GLS** report shall be complete and filed with the additional license fee, if applicable, no sooner than July 1 nor later than **JULY 31** of each year, or at such other times as the Commission may direct. (Ref. §3-81-17.54(c)) The rule applies for licenses that are stored in safekeeping during the fiscal year, or for licenses that are not renewed for the upcoming year.
- **The Partial GLS** report shall be filed for licenses that are revoked, canceled, or expired by term, **WITHIN 31 DAYS** following such change in status.
- **The Temporary GLS** report shall be filed for licenses that are revoked, canceled or expired by term **WITHIN 31 DAYS** following such change in status.

What Report Forms to File

- **Annual** – To report GLS for the fiscal year period from July 1 to June 30
- **Partial** – To report GLS for the partial filing period (newly issued license, license transfer, expiration, revocation, or cancellation of the regular license)
- **Temporary** – To report GLS for the temporary license period

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Gross Liquor Sales Reporting Period

- **Annual GLS** – From July 1 through June 30
- **Partial GLS** – From the license issuance date to the license end date (cancellation date, revocation date, or fiscal year end)
- **Temporary GLS** – From the license issuance date to the license end date (cancellation date, expiration date, or revocation date)

DO NOT use a business opening date or a closure date.

Filing Methods

Only an original, signed and completed GLS form with the additional license fee, if applicable, will be accepted. A faxed or emailed GLS report will not be accepted.

- **ONLINE:** To file GLS report on-line using the Liquor Commission Information System (LCIS), you will need to request access to LCIS. Please visit LCIS webpage at: <http://www.honolulu.gov/liq/lcis.html>
- **MAIL OR OVER THE COUNTER:** Your GLS report form and the additional license fee payment, if applicable, must either be hand-delivered to the Honolulu Liquor Commission or properly mailed and postmarked by the required filing dates. (Ref. §3-81-17.54(c)) To obtain your PDF-printable GLS form, go to <http://www.honolulu.gov/liq/gls.html> and select the appropriate GLS form that is based on your type of liquor license.

Payment Methods

- Corporate Check, Cashier's Check, or Money Order, payable to "City & County of Honolulu"
- MasterCard/VISA/Discover card, plus non-refundable service fee*
**The 2.35% non-refundable service fee will be waived this year if you pay by Friday, October 30, 2020.*
- Cash (accepted in-person at our Front Counter only)

How to Amend a Report

To amend a report, use the same type of report form, check off the box "Amended Report" located at the top right corner of the form, fill in the correct figures, and submit with the supporting documents. You will receive a notice once your amended report is verified.

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GENERAL INFORMATION ON THE LIQUOR LAWS AND RULES

DEFINITION OF GROSS LIQUOR SALES (GLS)

“Gross sales” means the total receipts actually received from the sale of liquor for which the license has been issued without deduction on account of the cost of property sold or expenses of any kind. (Ref. HRS §281-1)

The State General Excise Tax and the liquor bottle fees and any other fees in connection with the liquor sales assessed to customers must be reported as a part of GLS.

COMPLIMENTARY DRINKS/SAMPLES

Licensees who give complimentary drinks or samples without charge shall report the full sales value of those drinks in their annual gross sales. If there is no sales price related to the complimentary drinks, the licensee shall report the complimentary drink’s value at four (4) times the amount of liquor purchased. (Ref. §3-81-17.54(f))

MINIMUM THIRTY (30) PERCENT FOOD SALES REQUIREMENT

At least thirty (30) percent of the establishment’s gross revenue must come from the sales of foods. (Ref. §3-82-38.22(b))

REQUIREMENT OF CATERING SERVICE

Gross sales from on or off-premises catering shall be included in the gross liquor sales report of the restaurant, hotel, or condominium hotel licensee. Each catered event must include food and liquor. At least thirty (30) percent of the establishment’s gross revenue from all catered events must come from the sale of foods. (Ref. §3-82-31.7(g))

UNAUTHORIZED LIQUOR PURCHASES

It shall be unlawful for any retail licensee except a class 10 licensee (Special, per day) to purchase or acquire liquor from any person other than a wholesaler licensed pursuant to this chapter, except as otherwise provided in this section. (Ref. HRS §281-31(t))

DO NOT purchase liquor from retailers, such as Costco or Sam’s Club.

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INSPECTION AND MAINTENANCE OF YOUR RECORDS

All licensees, except transient vessel (per day), special, and bring-your-own-beverage, shall produce within three (3) calendar days for Commission inspection books or records showing all income, purchases and expenses of their liquor licensed business. These books and records, including but not limited to daily sales records and invoices, shall be made available for inspection and/or auditing by the Commission, through its auditors or otherwise, at any time and shall be preserved for a period of four years . . . (Ref. §3-81-17.54(d))

GENERAL RIGHT OF INSPECTION

An auditor from the Liquor Commission may visit your licensed premises without advance notice to review your sales recording system, daily sales recording procedures, or to talk with your operations manager to ensure understanding of the liquor laws and rules. Our auditor will first present a Notice of Inspection memo, along with his/her Honolulu Liquor Commission Employee ID and business card. We appreciate your cooperation as failure to provide access may result in a second inspection and/or a full audit.

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STEP-BY-STEP INSTRUCTIONS TO FILE YOUR ANNUAL GROSS LIQUOR SALES REPORT

IMPORTANT:

1. Use only a black or dark blue ink pen. Do not use red ink, pencils, felt tip pens, or erasable pens.
2. Print amounts only on those lines that are applicable.
3. DO NOT round your numbers

COMPUTATION OF ADDITIONAL LICENSE FEE

<u>COMPUTATION OF ADDITIONAL LICENSE FEE</u>	
<u>PART A: ON-PREMISES SALES</u>	
1. Total Food Sales <u>from JULY 1, 2019 to JUNE 30, 2020</u>	1. _____
2. Total Non-Alcoholic Beverage Sales	2. _____
3. Total Liquor Sales	3. _____
4. General Excise Tax (<u>Liquor sales portion only if assessed to customers</u>)	4. _____
5. Complimentary Drinks and/or Samples (Report at the full value)	5. _____
6. GROSS LIQUOR SALES (GLS ON-PREMISES) (Add Lines 3 through 5)	6. _____

PART A: ON-PREMISES SALES

Line 1 – Total Food Sales

Enter the Total Food Sales for the fiscal year excluding the General Exercise Tax (GET).

Line 2 – Total Non-Alcoholic Beverage Sales

Enter the Total Non-Alcoholic Beverage Sales for the fiscal year excluding GET.

Line 3 – Total Liquor Sales

Enter the Total Liquor Sales for the fiscal year excluding GET.

Line 4 – General Excise Tax * **Liquor Sales Portion Only**

Enter the amount of GET assessed to customers on the total liquor sales on Line 3.

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Line 5 – Complimentary Drinks and/or Samples

Enter the full value of complimentary drinks and/or free samples provided to customers from on-premises Sales. If there is no sales price related to the complimentary drink or sample, enter the value at four (4) times the amount of liquor purchased.

Line 6 – GROSS LIQUOR SALES (GLS)

Add Lines 3 through Line 5, and enter the total in Line 6.

PART B: OFF-PREMISES CATERING SALES	
7. Total Food Sales from All Off-Premises Catering Sales	7. _____
8. Total Non-Alcoholic Beverage Sales from all Off-Premises Catering Sales	8. _____
9. Total Liquor Sales from All Off-Premises Catering Sales	9. _____
10. General Excise Tax (Liquor sales portion only if assessed to customers)	10. _____
11. Complimentary Drinks and/or Samples (Report at the full value)	11. _____
12. GROSS LIQUOR SALES (GLS Off-Premises) (Add Lines 9 through 11)	12. _____

PART B: OFF-PREMISES CATERING SALES

**** If you did not conduct off-premises catering, enter zero "0" in Line 12 and proceed to Line 13.***

Line 7 – Total Food Sales from All Off-Premises Catering Sales

Enter the Total Food Sales for the fiscal year from ALL Off-Premises Catering Sales excluding GET.

Line 8 –Total Non-Alcoholic Beverage Sales from Off-Premises Catering Sales

Enter the Total Non-Alcoholic Beverage Sales from ALL Off-Premises Catering Sales for the fiscal year excluding GET.

Line 9 – Total Liquor Sales from All Off-Premises Liquor Sales

Enter the Total Liquor Sales from ALL Off-Premises Catering Sales for the fiscal year excluding GET.

Line 10 – General Excise Tax * **Liquor Sales Portion Only**

Enter the amount of GET assessed to customers on the total liquor sales on Line 9.

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Line 11 – Complimentary Drinks and/or Samples

Enter the full value of complimentary drinks and/or free samples provided to customers from off-premises Sales. If there is no sales price related to the complimentary drink or sample, enter the value at four (4) times the amount of liquor purchased.

Line 12 – GROSS LIQUOR SALES (GLS)

Add Lines 9 through Line 11, and enter the total in Line 12

13. COMBINED GLS (Add Lines 6 and 12)	13. <input type="text"/>
14. Less FY20 Deductible	14. (150,000.00)
15. NET GLS (Line 13 minus Line 14. Enter "0", if less than "0".)	15. <input type="text"/>
16. Assessment Rate of the class of the respective license	16. 0.005
17. ADDITIONAL LICENSE FEE DUE AND PAYABLE (Multiply Lines 15 and 16; Limited to \$25,000)	17. <input type="text"/>
<small>* Please make checks payable to "City & County of Honolulu"</small>	
PAYMENT ENCLOSED <input type="checkbox"/>	

Line 13 – COMBINED GLS

Add Line 6 and Line 12, and enter the total in Line 13.

Line 14 – Less Deductible

The deductible is a set threshold given to deduct from the GLS.

Line 15 – NET GLS

Subtract the deductible from the GLS (Line 13 minus Line 14). Enter only if the result is positive. If the result is negative, enter zero "0". If you don't owe any additional license fees, proceed to Cost of Liquor Sold section of this report.

Line 16 – Assessment Rate of the class of the respective license

The assessment rate for the Restaurant Class is set at 0.5%.

Line 17 – ADDITIONAL LICENSE FEE DUE AND PAYABLE

Multiply Net GLS and the Assessment Rate 0.5% (0.005) to calculate the amount of additional license fee due and payable (Line 15 x 0.005). The additional license fee is limited to \$25,000. You must submit both the report and the additional license fee payment by the due date to be considered on-time.

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COST OF LIQUOR SOLD

<u>COST OF LIQUOR SOLD</u>	
A. Beginning Liquor Inventory as of <u>July 1, 2019</u>	A. _____
B. Total Liquor Purchases for Fiscal Year 2020	B. _____
C. Ending Liquor Inventory as of <u>June 30, 2020</u>	C. _____
D. Cost of Liquor Sold for the period (Lines A + B - C)	D. _____

IMPORTANT:

1. If you did not take a physical count of the liquor inventory, you may enter both 0 or the same inventory amount in Line A and C (i.e. Line A – 2000, Line C – 2000) as long as your business maintained approximately the same amount of inventory throughout the year.
2. If you use a perpetual inventory system that records real-time transactions of liquor products received and sold, skip Line A, B, and C, and enter the Cost of Liquor Sold for the year.

A. Beginning Liquor Inventory as of July 1

Enter the beginning liquor inventory as of July 1. It should be “the ending inventory as of June 30” reported on the last year’s GLS report.

B. Total Liquor Purchases for Fiscal Year

Enter the total amount of liquor purchased during the fiscal year

C. Ending Liquor Inventory as of June 30

Take a physical count of your liquor inventory as of June 30, and enter the cost value in Line C.

D. Cost of Liquor Sold for the Period

Add Beginning Inventory plus Total Liquor Purchases minus Ending Inventory to calculate your Cost of Liquor Sold for the period (Lines A + B - C = Cost of Liquor Sold).

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SIGNATURE

Pursuant to §3-81-17.5 et seq., the Rules of the Liquor Commission, and under the penalties set forth in §281, Hawaii Revised Statutes, I certify that this Gross Liquor Sales Report is true, accurate, and complete, and I am authorized to submit this report.	
Date _____	_____ Signature of Officer, Member, or Authorized Agent
OFFICE USE ONLY	_____ Print Name/Title
Paid: _____ CK#: _____ Initial: _____ Date: _____ ()	For assistance, please contact HLC Auditing Team: (808) 768-7343; Liq-Auditing@honolulu.gov

The report must be signed by the owner, partner, corporate officer, member, or authorized agent registered with the Honolulu Liquor Commission. It must be submitted with the original signature of the authorized party. No faxed or emailed GLS report will be accepted. (Ref. §3-81-17.54(e)) To register Authorized Agent, submit the "Notification of Authorized Agent" form with the GLS report.

[Notification of Authorized Agent Form \(Form No. LIQ-LIC-106\)](#)

REMINDER!!!

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